

Fixed Income Review

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Fixed Income Division (FID)- At a Glance

- The objective of the FID portfolio is to meet or exceed the returns of the Bloomberg U.S. Aggregate Bond Index while satisfying the overall characteristics of a core fixed income portfolio. These characteristics are:
 - Income
 - Liquidity
 - Principal Preservation
 - Diversification from Equity Market risk
- FID utilizes a Core-Plus portfolio strategy to achieve these goals. The characteristics of the portfolio are:

	Weight	Maturity	Duration	Coupon	Yield to Maturity	VaR	Tracking Error
FID Total	100%	8.2	5.7	2.9	2.8	5.8	2.8
FID Core	73%	9.2	6.9	2.8	2.4	6.4	2.4
FID Plus	27%	5.7	2.5	3.2	3.7	4.1	3.9
Index*		8.7	6.7	2.5	1.6	6.2	NA

* Bloomberg U.S. Aggregate Index

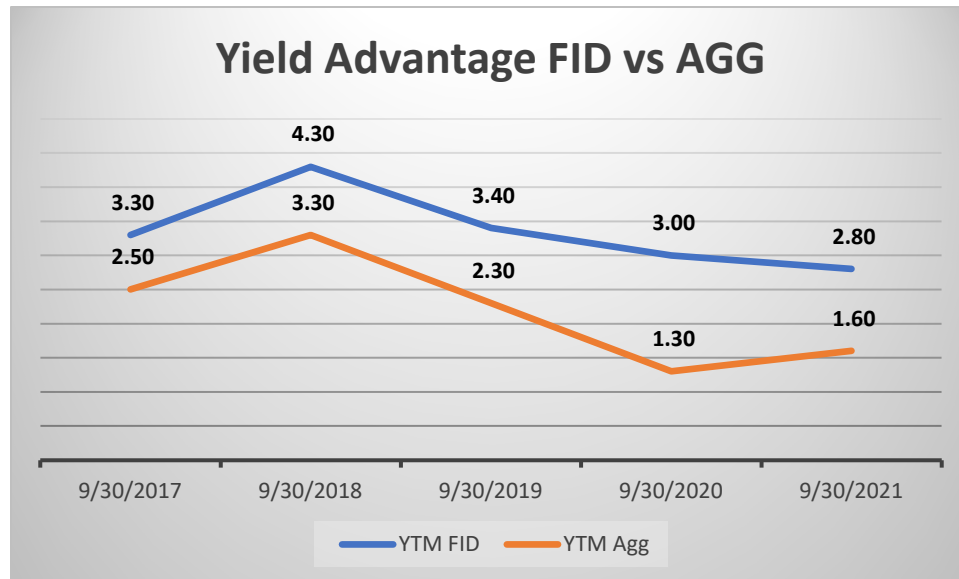
Fixed Income Performance

MPSERS Plan (9/30/21)	1-Year	3-Years	5-Years	7-Years	10-Years
Annualized Returns	4.0%	5.7%	4.2%	4.5%	4.2%
Bloomberg Barclays US Agg	-0.9%	5.4%	2.9%	3.3%	3.0%
Peer Median Returns	0.1%	5.9%	3.7%	3.8%	4.1%
Percentile Rank vs. Peers*	9	64	27	23	30

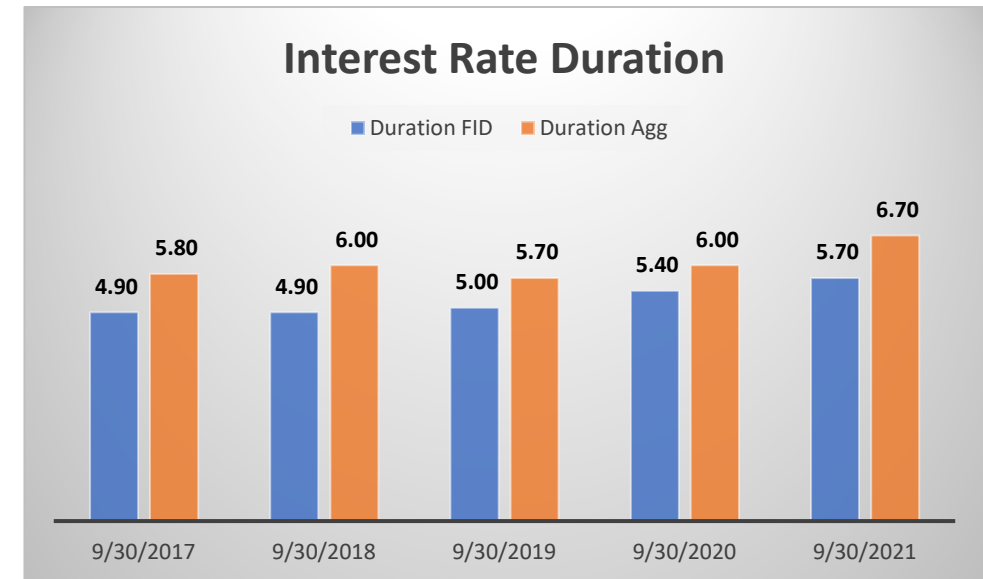
*State Street Universe greater than \$1 billion

Fixed Income Positioning

- Structural Yield Advantage



- Consistent Duration Positioning



FID Success Stories

- Structured Fixed Income Recovery
 - 1y Structured Fixed Income Performance is 10.3% versus Bloomberg U.S. Aggregate -0.9%
 - Over \$500mm cash raised from this portfolio since March 31, 2020
- Core Bond Portfolio Diversification
 - 1 year Core Portfolio performance of 0.0% vs -0.9% for the index
 - 3 year Core Portfolio Performance of 5.4% vs 5.4% for the index
 - Core Portfolio Duration of 6.9 y vs 6.7 y for the index
- Cash Management
 - September 30, 2021 Cash AUM:
 - Retirement Cash \$2.6 billion
 - Common Cash \$20.0 billion
 - Sources and uses of SMRS cash- Cash declined by \$1.0 billion in Fiscal Year 2021